

# REGISTRY OF ELECTION FINANCE

The Registry of Election Finance met Wednesday, August 9, 2017 at Suite 104 of Parkway Towers, 404 James Robertson Parkway, Nashville, Tennessee.

Presiding over the meeting was Chairperson Tom Morton. Attending the meeting were board members William (Paz) Haynes, III, Patricia Heim and Tom Lawless.

## *Approval of Meeting Minutes*

On motion by Lawless, seconded by Haynes, the board voted unanimously to approve the minutes from the June 7, 2017 meeting.

## *Requests for Reconsideration*

**16-78 Harry Ledbetter**, for failure to file a 2016 3<sup>rd</sup> Quarter campaign financial disclosure report. Class two (2), no report filed, maximum ten thousand (\$10,000) civil penalty. Mr. Ledbetter has had previous matters before the board.

The board voted at its December 7, 2016 meeting to issue Mr. Ledbetter a show cause notice.

The board voted at its February 8, 2017 to assess Mr. Ledbetter a \$10,000 civil penalty. Mr. Ledbetter requested a reconsideration of the \$10,000 civil penalty assessment.

Mr. Ledbetter filed the required report which closed his campaign account and personally appeared before the board and explained his failure to timely file.

A motion was made by Heim, seconded by Haynes, to reconsider the \$10,000 civil penalty assessment. The motion to reconsider failed the board 3 to 1, with Lawless voting “no.” After discussion, on motion by Heim, seconded by Haynes, the board voted unanimously to reconsider the \$10,000 civil penalty assessment. On motion by Lawless, seconded by Haynes, the board voted unanimously to assess Mr. Ledbetter a \$500 civil penalty.

**17-32 Alkermes**, for failure to timely pay the 2017 Annual PAC Fee. Class one (1), three days late, maximum seventy-five (\$75) civil penalty. The organization has had no previous matters before the board.

The board voted at its April 12, 2017 meeting to issue the organization a show cause notice.

The board voted at its June 7, 2017 meeting to assess the organization a \$75 civil penalty. The organization requested a reconsideration of the \$75 civil penalty assessment.

Eric Duncan, representative for the organization, submitted a statement for the board’s consideration.

On motion by Haynes, seconded by Lawless, the board voted unanimously not to reconsider the \$75 civil penalty assessment.

## ***Show Cause Hearing***

***17-42 CAM PAC***, for failure to timely pay the 2017 Annual PAC Fee. Class two (2), 51 days late, maximum ten thousand (\$10,000) civil penalty. The organization has had no previous matters before the board.

The board voted at its June 7, 2017 meeting to issue the organization a show cause notice.

Cameron Sexton, representative for the organization, personally appeared before the board and explained the organization's failure to timely pay the annual PAC fee.

On motion by Haynes, seconded by Lawless, the board voted unanimously to take no further action in this matter.

## ***Statements Submitted***

***17-43 Clear PAC***, for failure to pay the 2017 Annual PAC Fee. Class two (2), fee not paid, maximum ten thousand (\$10,000) civil penalty. The organization has had no previous matters before the board.

The board voted at its June 7, 2017 meeting to issue the organization a show cause notice.

Steven L. Gill, treasurer for the organization, closed the PAC account and submitted a sworn statement for the board's consideration.

On motion by Lawless, seconded by Haynes, the board voted unanimously to assess the organization a \$10,000 civil penalty.

***17-49 My Home, My Tennessee***, for failure to pay the 2017 Annual PAC Fee. Class two (2), fee not paid, maximum ten thousand (\$10,000) civil penalty. The organization has had previous matters before the board.

The board voted at its June 7, 2017 meeting to issue the organization a show cause notice.

Steven D. Harding, representative for the organization, paid the annual PAC fee and submitted a statement for the board's consideration.

Lawless made a motion to assess the organization a \$675 civil penalty. Lawless then withdrew the motion. A motion was made by Lawless, seconded by Haynes, to assess the organization a \$10,000 civil penalty. The motion to assess the organization a \$10,000 civil penalty passed the board unanimously.

***17-46 Neuro-Spine Committee***, for failure to timely pay the 2017 Annual PAC Fee. Class one (1), 23 days late, maximum five hundred seventy-five (\$575) civil penalty. The organization has had no previous matters before the board.

The board voted at its June 7, 2017 meeting to issue the organization a show cause notice.

Wendey Gatewood, treasurer for the organization, submitted a statement for the board's consideration.

On motion by Heim, seconded by Heim, the board voted unanimously to assess the organization a \$575 civil penalty.

**17-58 Overmountain PAC**, for failure to timely pay the 2017 Annual PAC Fee. Class two (2), 55 days late, maximum ten thousand (\$10,000) civil penalty. The organization has had no previous matters before the board.

The board voted at its June 7, 2017 meeting to issue the organization a show cause notice.

Matthew Hill, treasurer for the organization, submitted a statement for the board's consideration.

On motion by Lawless, seconded by Heim, the board voted unanimously to assess the organization a \$10,000 civil penalty.

**17-47 RY-PAC**, for failure to timely pay the 2017 Annual PAC Fee. Class one (1), 27 days late, maximum six hundred seventy-five (\$675) civil penalty. The organization has had no previous matters before the board.

The board voted at its June 7, 2017 meeting to issue the organization a show cause notice.

Ryan Williams, representative for the organization, submitted a sworn statement for the board's consideration.

On motion by Heim, seconded by Lawless, the board voted unanimously to assess the organization a \$675 civil penalty.

**17-57 Southern Futures PAC**, for failure to timely pay the 2017 Annual PAC Fee. Class two (2), 45 days late, maximum ten thousand (\$10,000) civil penalty. The organization has had previous matters before the board.

The board voted at its June 7, 2017 meeting to issue the organization a show cause notice.

Benjamin Farmer, treasurer for the organization, submitted a sworn statement for the board's consideration.

On motion by Lawless, seconded by Heim, the board voted unanimously to assess the organization a \$10,000 civil penalty.

**17-55 Stand for Children, Inc. (Ind. Exp. Committee)**, for failure to timely pay the 2017 Annual PAC Fee. Class two (2), 75 days late, maximum ten thousand (\$10,000) civil penalty. The organization has had no previous matters before the board.

The board voted at its June 7, 2017 meeting to issue the organization a show cause notice.

Daniel Soltesz, treasurer for the organization, submitted a statement for the board's consideration and Kara Dahl, representative for the organization, submitted a sworn statement for the board's consideration.

Without objection, the board voted unanimously to defer any further action in this matter until the next regularly scheduled meeting.

**17-56 Stand PAC of Tennessee**, for failure to timely pay the 2017 Annual PAC Fee. Class two (2), 75 days late, maximum ten thousand (\$10,000) civil penalty. The organization has had no previous matters before the board.

The board voted at its June 7, 2017 meeting to issue the organization a show cause notice.

Daniel Soltesz, treasurer for the organization, submitted a statement for the board's consideration and Kara Dahl, representative for the organization, submitted a sworn statement for the board's consideration.

Without objection, the board voted unanimously to defer any further action in this matter until the next regularly scheduled meeting.

**17-50 Tennesseans 4 Ethics in Government**, for failure to pay the 2017 Annual PAC Fee. Class two (2), fee not paid, maximum ten thousand (\$10,000) civil penalty. The organization has had no previous matters before the board.

The board voted at its June 7, 2017 meeting to issue the organization a show cause notice.

Andy Miller, representative for the organization, paid the annual PAC fee and submitted a statement for the board's consideration.

On motion by Heim, seconded by Lawless, the board voted unanimously to assess the organization a \$10,000 civil penalty.

**17-60 Kimberly Ann Little**, for failure to file a 2016 4<sup>th</sup> Quarter campaign financial disclosure report with the Williamson County Election Commission. Class two (2), no report filed, maximum ten thousand (\$10,000) civil penalty. Ms. Little has had no previous matters before the board.

The board voted at its June 7, 2017 meeting to issue Ms. Little a show cause notice.

Ms. Little filed the required report with the Williamson County Election Commission and submitted a sworn statement for the board's consideration.

On motion by Lawless, seconded by Haynes, the board voted unanimously to assess Ms. Little a \$500 civil penalty.

**17-61 Debbie Matthews**, for failure to file a 2016 4<sup>th</sup> Quarter campaign financial disclosure report with the Maury County Election Commission. Class two (2), no report filed, maximum ten thousand (\$10,000) civil penalty. Ms. Matthews has had no previous matters before the board.

The board voted at its June 7, 2017 meeting to issue Ms. Matthews a show cause notice.

Ms. Matthews filed the required report with the Maury County Election Commission which closed her campaign account and submitted a statement for the board's consideration.

A motion was made by Lawless to assess Ms. Matthews a \$10,000 civil penalty. Lawless then withdrew the motion. A motion was made by Haynes, seconded by Lawless, to assess Ms. Matthews a \$500 civil penalty. The motion to assess Ms. Matthews a \$500 civil penalty passed the board unanimously.

### ***Cases Subject to Approval of Civil Penalty Order***

**17-41 Michael Sparks**, for failure to correct a 2015 Year-End Supplemental campaign financial disclosure report. Class two (2), corrected report not filed, maximum ten thousand (\$10,000) civil penalty. Rep. Sparks has had previous matters before the board.

The board voted at its April 12, 2017 meeting to issue Rep. Sparks a show cause notice.

The board voted at its June 7, 2017 meeting to defer any further action in this matter until the next regularly scheduled meeting to allow Rep. Sparks further opportunity to correct his report and respond to the show cause notice.

Rep. Sparks corrected the campaign financial disclosure report and personally appeared before the board.

On motion by Heim, seconded by Haynes, the board voted unanimously to assess Rep. Sparks a \$500 civil penalty.

**17-44 Envision Tennessee**, for failure to timely pay the 2017 Annual PAC Fee. Class one (1), six days late, maximum one hundred fifty (\$150) civil penalty. The organization has had a previous matter before the board.

The board voted at its June 7, 2017 meeting to issue the organization a show cause notice.

Director Rawlins informed the board that there has been no response to the show cause notice.

On motion by Heim, seconded by Lawless, the board voted unanimously to assess the organization a \$150 civil penalty.

**17-45 G4S TN PAC**, for failure to timely pay the 2017 Annual PAC Fee. Class one (1), 10 days late, maximum two hundred fifty (\$250) civil penalty. The organization has had no previous matters before the board.

The board voted at its June 7, 2017 meeting to issue the organization a show cause notice.

Director Rawlins informed the board that the organization paid the maximum civil penalty of \$250 but that there has been no response to the show cause notice.

On motion by Heim, seconded by Lawless, the board voted unanimously to assess the organization a \$250 civil penalty.

**17-48 Leaders of Tennessee**, for failure to pay the 2017 Annual PAC Fee. Class two (2), fee not paid, maximum ten thousand (\$10,000) civil penalty. The organization has had a previous matter before the board.

The board voted at its June 7, 2017 meeting to issue the organization a show cause notice.

Director Rawlins informed the board that there has been no response to the show cause notice and that the annual PAC fee still has not been paid.

On motion by Heim, seconded by Lawless, the board voted unanimously to assess the organization a \$10,000 civil penalty.

**17-62 Rutherford Education Assn Friends of Children & Pub Education**, for failure to pay the 2017 Annual PAC Fee. Class two (2), fee not paid, maximum ten thousand (\$10,000) civil penalty. The organization has had no previous matters before the board.

The board voted at its June 7, 2017 meeting to issue the organization a show cause notice.

Director Rawlins informed the board that there has been no response to the show cause notice and that the annual PAC fee still has not been paid.

On motion by Heim, seconded by Lawless, the board voted unanimously to assess the organization a \$10,000 civil penalty.

**17-51 TN 20/20**, for failure to pay the 2017 Annual PAC Fee. Class two (2), fee not paid, maximum ten thousand (\$10,000) civil penalty. The organization has had no previous matters before the board.

The board voted at its June 7, 2017 meeting to issue the organization a show cause notice.

Matt Langley, treasurer for the organization, paid the annual PAC fee, closed the PAC and submitted a sworn statement for the board's consideration.

A motion was made by Lawless, seconded by Haynes, to assess the organization a \$10,000 civil penalty. The motion to assess the organization a \$10,000 civil penalty failed the board 3 to 1, with Heim voting "no." A motion was made by Lawless, seconded by Haynes, to assess the organization a \$7,500 civil penalty. The motion to assess the organization a \$7,500 civil penalty failed the board 3 to 1, with Heim voting "no." A motion was then made by Heim, seconded by Haynes, to take no further action in this matter. The motion to take no further action failed the board 2 to 2, with Lawless and Morton voting "no." Without objection, the board voted unanimously to defer any further action in this matter until the next regularly scheduled meeting.

**17-52 TN Refined**, for failure to pay the 2017 Annual PAC Fee. Class two (2), fee not paid, maximum ten thousand (\$10,000) civil penalty. The organization has had no previous matters before the board.

The board voted at its June 7, 2017 meeting to issue the organization a show cause notice.

Director Rawlins informed the board that there has been no response to the show cause notice and that the annual PAC fee still has not been paid.

On motion by Heim, seconded by Lawless, the board voted unanimously to assess the organization a \$10,000 civil penalty.

**17-53 Winning Our Liberty**, for failure to pay the 2017 Annual PAC Fee. Class two (2), fee not paid, maximum ten thousand (\$10,000) civil penalty. The organization has had a previous matter before the board.

The board voted at its June 7, 2017 meeting to issue the organization a show cause notice.

Director Rawlins informed the board that there has been no response to the show cause notice and that the annual PAC fee still has not been paid.

On motion by Heim, seconded by Haynes, the board voted unanimously to assess the organization a \$10,000 civil penalty.

**17-54 Women for All of Tennessee**, for failure to pay the 2017 Annual PAC Fee. Class two (2), fee not paid, maximum ten thousand (\$10,000) civil penalty. The organization has had no previous matters before the board.

The board voted at its June 7, 2017 meeting to issue the organization a show cause notice.

Director Rawlins informed the board that all of the correspondence from the Registry for the past year to the organization has been returned by the post office. Director Rawlins further informed the board that Registry staff has a new mailing address

for the organization and requested that the board defer any further action in this matter until the next regularly scheduled meeting to allow the organization an opportunity to receive and respond to the show cause notice.

Without objection, the board voted unanimously to defer any further action in this matter until the next regularly scheduled meeting to allow the organization an opportunity to receive and respond to the show cause notice.

**17-59 Amy Broyles**, for failure to file a 2016 Year-End Supplemental campaign financial disclosure report with the Knox County Election Commission. Class two (2), no report filed, maximum ten thousand (\$10,000) civil penalty. Ms. Broyles has had previous matters before the board.

The board voted at its June 7, 2017 meeting to issue Ms. Broyles a show cause notice.

Director Rawlins informed the board that there has been no response to the show cause notice and that the report still has not been filed.

On motion by Lawless, seconded by Heim, the board voted unanimously to assess Ms. Broyles a \$10,000 civil penalty.

### ***Cases Considered for Issuance of Show Cause Notice***

**Billy Patton**, for failure to timely file a 2017 2<sup>nd</sup> Quarter campaign financial disclosure report. Class one (1), 7 days late, maximum ten thousand (\$175) civil penalty. Mr. Patton has had no previous matters before the board.

On motion by Heim, seconded by Lawless, the board voted unanimously to take no action in this matter.

### ***Sworn Complaints***

#### ***2015-04 Preserve Brentwood***

Director Rawlins provided the board with a sworn complaint filed with the Registry from Thomas H. Carr, Jr. against Preserve Brentwood.

The board voted at its August 12, 2015 meeting to defer any action in this matter pending the final decision of the Williamson Strong matter.

On motion by Heim, seconded by Haynes, the board voted unanimously to dismiss the sworn complaint.

#### ***2015-05 Williamson County Homeschool Coalition***

Director Rawlins provided the board with a sworn complaint filed with the Registry from Gael Morkel against Williamson County Homeschool Coalition.

The board voted at its August 12, 2015 meeting to defer any action in this matter pending the final decision of the Williamson Strong matter.

On motion by Heim, seconded by Haynes, the board voted unanimously to dismiss the sworn complaint.

#### ***2016-04 Williamson True***

Director Rawlins provided the board with a sworn complaint filed with the Registry from Julie Hinton against Williamson True.

The board voted at its June 8, 2016 meeting to defer any action in this matter pending the final decision of the Williamson Strong matter.

On motion by Heim, seconded by Haynes, the board voted unanimously to dismiss the sworn complaint.

#### ***2016-05 Beverly Burger/Charles “Chuck” Shelton***

Director Rawlins provided the board with a sworn complaint filed with the Registry from Julie Hinton against Beverly Burger and Charles “Chuck” Shelton.

The board voted at its June 8, 2016 meeting to defer any action in this matter pending the final decision of the Williamson Strong matter.

On motion by Heim, seconded by Haynes, the board voted unanimously to dismiss the sworn complaint.

#### ***2017-01 Chattanooga Citizens United, Inc.***

Director Rawlins provided the board with a sworn complaint filed with the Registry from Zachary W. England against Chattanooga Citizens United, Inc.

Additionally, Director Rawlins provided the board with an affidavit from Buddy B. Presley, Jr., treasurer of Chattanooga Citizens United, Inc.

The board voted at its April 12, 2017 meeting to defer any action in this matter until the August 9, 2017 regularly scheduled meeting pending the final decision of the Williamson Strong matter.

On motion by Heim, seconded by Haynes, the board voted unanimously to dismiss the sworn complaint.

### ***Audit Review***

#### ***Jeff Davidson***

On motion by Heim, seconded by Lawless, the board voted unanimously to approve Mr. Davidson’s 2016 Campaign Finance Audit with no findings.

#### ***Felicia Irons***

On motion by Heim, seconded by Lawless, the board voted unanimously to approve Ms. Iron’s 2016 Campaign Finance Audit with the included findings.

On motion by Heim, seconded by Lawless, the board voted unanimously to issue Ms. Irons a show cause notice on Finding 1 and Finding 2.



### ***Keith Williams***

On motion by Heim, seconded by Lawless, the board voted unanimously to approve Mr. Williams' 2016 Campaign Finance Audit with the included finding.

On motion by Lawless, seconded by Haynes, the board voted unanimously to issue a subpoena, to be personally served, to Mr. Williams concerning his campaign records.

### ***Andy Holt***

The board voted at its April 12, 2017 meeting to approve Rep. Holt's 2016 Second Quarter Contribution Audit with the included finding.

The board also voted at its April 12, 2017 meeting to recommend that Rep. Holt donate any contributions that can't be identified (anonymous) to charity by the August meeting.

Director Rawlins informed the board that Rep. Holt donated the anonymous contributions and provided the Registry a copy of the check.

On motion by Heim, seconded by Lawless, the board voted unanimously to take no further action in this matter.

### ***Executive Director's Report***

- Director Rawlins provided the board with a memo from Lt. Governor Randy McNally and Speaker Beth Harwell requesting the Registry board to issue a memorandum on the proper use of campaign funds during the time members of the General Assembly receives per diem reimbursement.

After discussion, without objection, the board voted to issue the following policy:

On days a member of the General Assembly receives per diem, non-campaign related meals and lodging may not be paid from the member's campaign funds. Meals and lodging expenses in excess of the per diem paid to a member by the State of Tennessee are not considered "ordinary and necessary expenses incurred in connection with the office of the officeholder" (TCA 2-10-114(a)(7)).

- Director Rawlins provided the board with two requests for civil penalty agreements from the Attorney General's Office regarding the White County Democratic Party PAC. The request asks for a settlement offer of \$563 for Case Nos. 16-09 (\$10,000) and 16-28 (\$10,000).

On motion by Heim, seconded by Haynes, the board voted 3 to 1 to accept the settlement offer, with Lawless voting "no."

- Per the Registry's request, Director Rawlins provided the board with a memorandum with information regarding Durham PAC found during the audit of Jeremy Durham.

Director Rawlins informed the board that Jessica Durham, treasurer for the organization, has amended several reports to correct the observation items.

On motion by Haynes, seconded by Lawless, the board voted unanimously to issue the organization a show cause notice on memo items 1 and 2.

- Director Rawlins informed the board that Jeremy Durham, Case No. 17-01, has requested a Contested Case Hearing.

A motion was made by Heim, seconded by Lawless, to proceed with a Contested Case Hearing with an Administrative Law Judge without the Registry board present.

- Director Rawlins informed the board that the federal lawsuit Jones and Lack vs Registry was dismissed.
- Director Rawlins informed the board that the law firm of Branstetter Stranch & Jennings, who are representing the Williamson Strong matter, are asking for attorney's fees.

Director Rawlins further informed the board that the Attorney General's Office is preparing the Registry's response.

### ***Other Business***

Without objection, the board voted unanimously to schedule the next Registry meeting for October 11, 2017.

Without objection, the board voted unanimously to adjourn the meeting until the next regularly scheduled meeting.